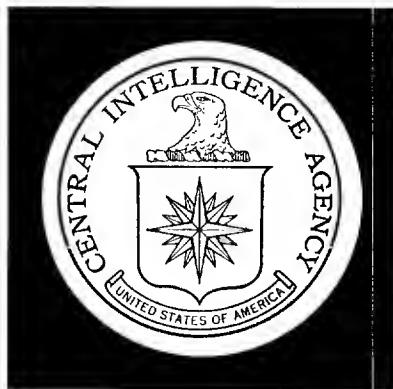


Secret

DIRECTORATE OF
INTELLIGENCE

Central Intelligence Bulletin

Secret

No 042

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Approved For Release 2003/05/19 : CIA-RDP79T00975A020400060001-8

Approved For Release 2003/05/19 : CIA-RDP79T00975A020400060001-8

SECRET

No. 0266/71
6 November 1971

Central Intelligence Bulletin

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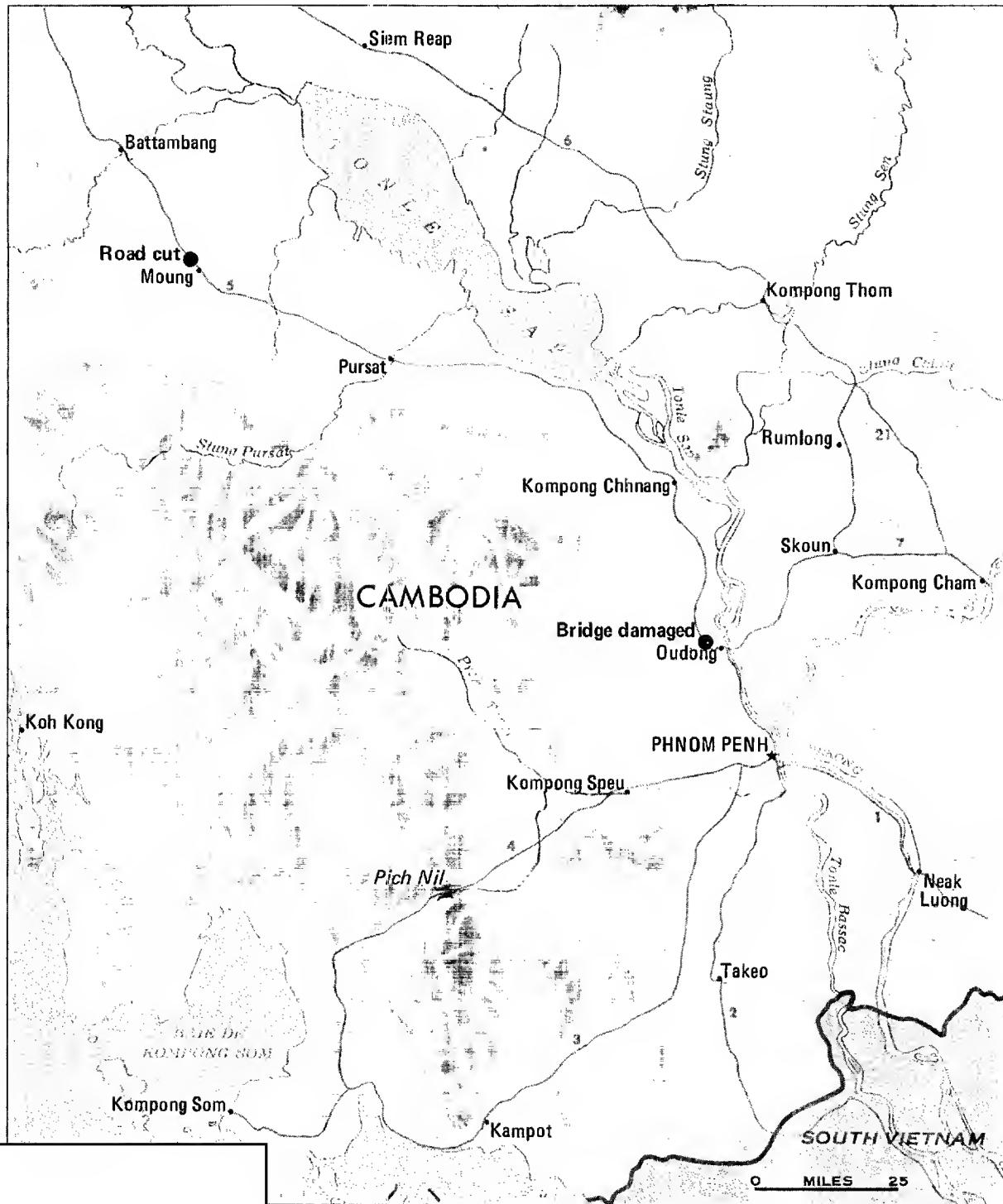
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CAMBODIA: The deadlock between government and Communist forces on Route 6 continues.

In the past few days, sharp enemy resistance has prevented Khmer Krom task forces from pushing into nearby Rumlong village. Although they have taken some heavy casualties, the morale of the weary Khmer Krom units reportedly remains high. They are preparing to make another assault along Route 6. At the same time, more government reinforcements are heading for Skoun.

The aggressive Cambodian commander in Rumlong apparently is growing impatient over the inability thus far of the Khmer Krom to relieve the steady Communist pressure on his troops in and around the beleaguered village. His supply problems have been temporarily eased by air drops, however, and heavy allied air strikes have helped prevent the Communists from overrunning his isolated positions, even though they have occupied most of Rumlong's buildings.

In other action in the countryside, the Communists reportedly have also succeeded in closing another major roadway. Enemy elements have made a deep cut across Route 5 several miles north of the town of Moung in Battambang Province, and have also caused considerable damage to a key bridge near Oudong. These actions apparently are designed in part to halt the government truck convoys carrying rice from Battambang to Phnom Penh, and could presage heightened Communist activity throughout this region.

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INDIA: Cyclone damage apparently is not as severe as early reports indicated.

Some areas in Orissa, an eastern state on the Bay of Bengal, were badly damaged and communications in others are still disrupted, but the officially announced casualty estimates have held steady at 4,500 dead and 500 missing. The toll will undoubtedly rise as communications improve.

The major problem at present is transportation. Some areas are not accessible because the water is too shallow for boats but too deep for motor vehicles. The principal road system is being opened fairly rapidly, however, and food and medicine are being distributed.

The rice crop loss may be large because Orissa is the second largest producing state in India. The crop appears to be damaged in a mile-wide coastal belt, the most productive area of the state. Indian government officials estimate the loss in rice could amount to a million tons.

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PHILIPPINES: President Marcos' Nacionalista Party is expected to win easily in Monday's senatorial, gubernatorial and local elections.

The better organized and financed Nacionalista Party is generally conceded at least six of the eight positions in the Senate race. Some recent reports have suggested that the opposition Liberal Party's prospects may be improving, but it seems likely that it will make a strong showing only in the larger cities, where disaffection with the regime is greatest.

The amount of pressure Marcos exerts to increase the margin of the Nacionalista victory may have implications for the presidential elections two years from now. He may try to engineer an overwhelming Nacionalista landslide to use as a mandate for the extension of his own term past its 1973 constitutional deadline. If the pressure is too blatant, however, it will increase urban disaffection and could easily lead to greater political turbulence after the elections.

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NOTE

JAPAN: Tokyo recorded a \$710-million increase in foreign reserves during October to reach slightly over \$14 billion. The large figure for October reflected a Japanese trade surplus of \$300 million. Exports, apparently still unaffected by the new US economic policy, rose more than 20 percent compared with October 1970, while imports remained essentially unchanged. Repayment by foreign exchange banks of \$200 million in foreign currency borrowed from the Bank of Japan contributed to the increase as did the Bank of Japan's reported purchase of \$100 million during October to control the yen float.

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